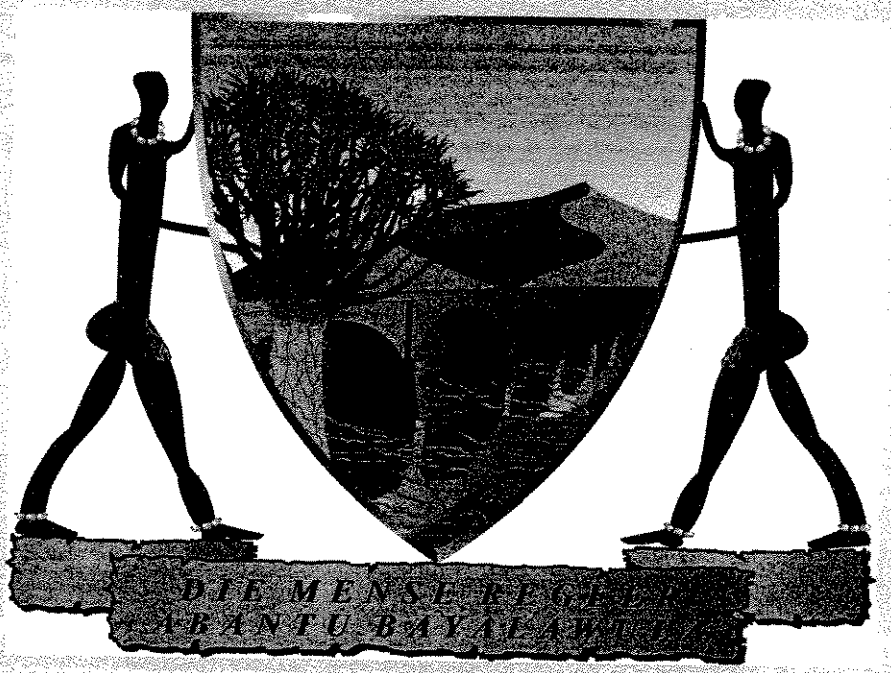
//KHARA HAIS
LOCAL MUNICIPALITY



FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2005

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GENERAL INFORMATION // ALGEMENE INLIGTING	
Speaker	*Cllr / Rdl J. Isaacs*
Mayor / Burgemeester	*Cllr / Rdl G.van Staden*
Executive Committee	*Cllr / Rdl G. van Staden* *L.F.J. Brand / A.J.M.Le Riche* *A.F.du Plesssis* *F.J. Jansen* *N.T. November*
Local Government Grading / Gradering van Plaaslike Regering	*Grade 3 (9)* *Graad 3 (9)*
Auditors / Ouditeure	*Du Toit van den Heveer appointed by* *Auditor General* *Du Toit van den Heever aangestel deur* *Ouditeur-General*
Bankers / Bankiers	*ABSA (UPINGTON)*
Municipal Manager / Munisipale Bestuurder	*Mr / Mnr E. Ntoba*
Directors / Direkteure Technical Services / Tegniese Dienste Corporative Services / Korporatiewe Dienste Development Services / Ontwikkelings Dienste	 *Mr / Mnr P.J.Viviers* *Mr / Mnr A. Vosloo* *Mr / Mnr M.G. Bovu*
Chief Finance Officer / Hoof Finansies	*Mr / Mnr T.J. Mohutsiwa*
Registered Office / Geregistreerde Kantoor	*Civic Centre* *Burgersentrum* *Market Street* *Markstraat* *UPINGTON* *UPINGTON* *8801* *8801*
Registered Postal Address / Geregistreerde Posaddres	*Private Bag X6003* *Privaatsak X6003* *UPINGTON* *UPINGTON* *8800* *8800*
Telephone number / Telefoonnommer	*054 332 5911*
Fax Number / Faksimilee	*054 332 1762*

FOREWORD TO FINANCIAL STATEMENTS

The Local Government, governed by Municipal Council, is to deliver service to the community with ever increased needs. The operations of Council are monopolistic with limited financial resources and a Constititional obligation to deliver social needs.

The Council is, within the given contraints, always striving to deliver effective, efficient and transparent services within it's Jurisdiction in terms of the Legislation and Policies.

The Council has during the reported period, resolved to reduce the ever escalating debtors, and at the same time help the poor of the poorest. The debtors increase is mainly because of unemployment and the inherited poverty from our past history. Unemployed residents and aged people have been treated as "special merits" and their accounts are written off on a monthly basis. The debtors have increased with R1 049 236 during the year to R28 113 282 as at 30 June 2005.

The presentation of financial statements have been converted to be "GAMAP" compliants, as we are a pilot Municipality. This resulted in ending with the surplus of R65.8m which manifest the improvements.

The Council has completed 124 Capital Projects with the value of R42.7m. during the year which among them are the following:

> Housing - Louisvalle
> Street Cleaning Machine
> Station Facilities for outer Rural Areas
> Electrification of 500 houses
> Network Upgrading of Alpha Substation
> Water Infrastructure for 100 Sub- Economic Stands

The Council has inherited vast rural areas to supply Basic Services with limited Financial Resources to erect infrastructures for Water, Electricity, Sanitation, Communications and Health Services. This is a great challenge. We have been supported by Grants from both National and ProvincialGovernments.

We are thankful that, inspite of these resources limitation, we are still delivering services of comparably high standards to the residents of //Khara Hais Municipality. We pledge to continue to try and deliver in a more cost effective manner, affordable services to all residents within our area.

I wish to conclude by giving thanks to the Mayor, Speaker, Executive Committee, Directors, Staff and the Community to have made it a successful year of improvement of everybody's life.
Lets have an enthusiasm to have a prosperous next Financial Year.

.....

E. NTOBA
MUNICIPAL MANAGER

REPORT OF CHIEF FINANCE OFFICER

INTRODUCTION:

Our Municipality has presented the financial statements in GAMAP accounting principles as from last year.This created a great adjustment as well as vibrant financial thinking. The whole idea is to make the financial statements understood by the end users, especially residents and financial institutions, so as to asses the performance of the Municipality . This has necessitated elimination of certain accounts which in the past were not cash based, e.g. funds.

The performance for the year resulted in the surplus of R65.8m which constitutes the unappropriated surplus for the year. This is an improvement from last year's performance of a deficit due to conversion.

KEY FINANCIAL INDICATORS

The finacial indicators are indicated as follws :

	2005	2004
(Deficit) / Surplus before appropriations	R 19 304 395	(R4 150 384)
Unappropriated surplus: Beginning of the year	R 74 735 423	R 68 518 050
Appropriations	R 28 235 881	R15 516 946
Surplus at end of year	R 65 803 937	R79 884 612
Salaries and allowances: Total expeses	34.35%	35.70%
General expenses: Total expenses	37.56%	23%
Repairs and maintenance : Total expenses	3.82%	4.5%
Interest : Total expenses	1.27%	1.2%
Bad debts : Total expenses	1.11%	18.3%
Ratio of Current Assets : Current Liabilities	1.08 : 1	0.95 : 1

OPERATING RESULTS

The details of operating results are as set in Appendices D and E, which among others are as follows:

	ACTUAL		%VARIANCE
	2003/2004	2004/2005	2003/04 : 2004/05
INCOME	R146,751,100	R163,884,893	11.67%
EXPENDITURE	R150,893,826	R144,696,543	-4.10%

The actual operating income has a growth of 11.67% as compared to 3.22% of last year.
The actual expenditure has a decrease of 4.1% in comparison with the previous year. This decline in expenditure of operating budget can be assigned to the introduction of accounting principles new to the municipal situation.

CAPITAL FUNDING

The Council has received no external loan to finance its capital budget for the reported year. Financing was by means

of its "own funds"to the amount of R28.5 million and capital receipts to the tune of R13.057 million.This is a sign of **a going concern**, based on the fact that the future expected income from residents and expenditure by the Municipality have a high probability of occurrence, which ensures affordable and sustainable service delivery.

EXPRESSION OF THANKS

It is a very difficult period for The Sub-Directorate Finance to cope with the ever-changing financial administration and management.Nevertheless we find ourselves receiving the necessary Councillors's support under the leadership of The Speaker and The Mayor as well as Municipal Management Team and Staff under guidance of Municipal Manager. The task has therefore been made easy due to collective undertaking. We sincerely thank everybody for that support.

.....

T.J.MOHUTSIWA
CHIEF FINANCE OFFICER

REPORT OF AUDITOR GENERAL

WILL FOLLOW AT A LATER STAGE

ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

1.1 These financial statements have been prepared in order to conform to the Draft Generally Accepted Municipal Accounting Principles as laid down by the Department of Finance in terms of the Constitution of the Republic of South Africa.

1.2 The financial statements, except for the cash flow statement, have been prepared on the accrual basis of accounting. The effects of transactions and other events are recognised when they occur and recorded in the accounting records in the periods to which they relate.

1.3 Cash flow statements have been prepared using the current method, whereby major classes of gross cash receipts and payments are disclosed.

1.4 Both assets and liabilities, and revenue and expenses are reported separately. Where revenue and expenses are offset, disclosure based on materiality is included in the notes to the financial statements.

1.5 The basis of presentation of the Financial Statements changed from the IMFO standard to conform to GAMAP requirements and all the Funds and Reserves allowed in terms of GAMAP are cash based.

2. INVESTMENTS

2.1 Investments are stated at cost and where applicable includes capitalised interest.

2.2 Where an investment has been pledged as security in favour of a third party it is reflected as such in the notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (GAMAP 113)

3.1 Property, which includes investment properties, plant and equipment, is stated at historical cost, less accumulated depreciation.

3.2 Major improvements to buildings, plant and equipment are capitalised. Maintenance and repairs are expensed when incurred.

3.3 Land and buildings are stated at historical costs or the revalued amounts and not depreciated.

3.4 Backlog depreciation was calculated by depreciating assets to a net value of R1.00 because the purchase dates of assets purchased before 30 June 2003 were not available.

3.5 Depreciation for assets purchased from 1 July 2003 is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The depreciation rates are based on the following estimated asset lives applicable to assets of the // Khara Hais Local Municipality.

	Years
Power stations	30
Cooling towers	30
Transformer kiosks	30
Electricity meters	20
Load control equipment	20
Switchgear equipment	20
Supply & Reticulation	20
Mains	20
Motorways	15
Other roads	10
Traffic islands	10
Traffic lights	20
Street lighting	25
Overhead bridges	30
Storm water drains	20
Bridges, subways & culverts	30
Car parks	20
Bus terminals	20
Water meters	15
Water mains	20
Water rights	20
Water supply/reticulation	20
Reservoirs & Tanks	20
Gas meters	20
Gas reticulation	20
Sewers	20
Outfall sewers	20
Purification works	20
Sewer pumps	15
Sludge machines	15
Footways	20
Kerbings	20
Paving	20
Runways	20
Fencing	3
Security systems	5
Access control	5
Ambulance stations	30
Care centers	30
Cemeteries	30
Civic centers	30
Clinics	30
Community centers	30
Fire stations	30
Traffic testing grounds	30
Indoor sports	30
Libraries	30
Museums	30
Parks	30
Public facilities	30
Recreation facilities	30
Stadiums	30
Bowling greens	20
Tennis courts	20

	Years
Swimming pools	20
Golf courses	20
Outdoor sport facilities	20
Lakes and dams	20
Floodlighting	20
Works of art	20
Statues etc	20
Undeveloped land	30
Abattoirs	30
Cable stations	30
Hostels	30
Housing schemes	30
Nurseries	30
Office buildings	30
Old age homes	30
Training centres	30
Transport facilities	30
Tip sites (Dumping sites)	30
Workshops/Depots	30
Computer equipment	5
Computer software	3
Office machines	3
Air conditioners	5
Chairs	7
Tables/Desks	7
Cabinets/Cupboards	7
Sundry furniture	7
Refuse bins	5
Bulk containers	10
Fire extinguishers	15
Ambulances	5
Fire hoses	5
Emergency lights	5
Fire engines	20
Buses	15
Motor vehicles	5
Motor cycles	3
Trucks/Bakkies	5
Trailers	5
Aircraft	15
Motor boats	15
Graders	10
Tractors	10
Mechanical horses	10
Farm equipment	5
Lawnmowers	2
Compressors	5
Laboratory equipment	5
Radio equipment	5
Firearms	5
Telecommunication equipment	5
General equipment	5
Irrigation systems	15
Small assets (Inventory	7

3.6 Assets with a value of less than R1000.00, an expected lifespan of less than two years fall in the category of inventory items and does not form part of the asset register. These assets are included in these financial statements as inventory assets awaiting approval for the write-off to the appropriation account.

3.7 Where assets are provided as security details of the specific items are included in the notes to the financial system.

4. LEASES (GAMAP 102)

4.1 Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the local authority.

4.2 Operating leases are those leases which do not fall within the scope of the above-mentioned definition. Operating lease rentals are expensed as they become due.

4.3 Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the assets is depreciated at appropriate rates on the straight-line basis over the estimated useful lives of the assets. Lease payments are allocated between the lease finance cost and the capital repayment, using the effective interest rate method. Lease finance costs are expensed when incurred.

5. INVENTORIES (GAMAP 104)

5.1 Consumable stores are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average method.

5.2 Redundant and slow-moving inventories are identified and written down with regard to their estimated economic or realisable values. Consumables are written down with regard to their age, condition and utility.

6. RETIREMENT BENEFITS (GAMAP 110)

The //Khara Hais municipality contributes to the following pension funds which provide retirement benefits to such contributing employees and councillors.

Joint Cape Municipal Pension Fund.
Cape Municipal Pension and Gratuity Fund.
Municipal Councillors Pension Fund.
National fund for Municipal Employees.

The retirement benefit plan is subject to the Pension Fund Act, 1956 with pensions being calculated on the final pensionable remuneration paid.

The contributions to fund obligations for the payment of retirement benefits are charged against income when they become payable.

7. REVENUE RECOGNITION (GAMAP 106)

7.1.1 Revenue from rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Interest on unpaid rates is recognised on a time proportion basis.

7.1.2 //Khara Hais municipality use a differentiated tariff structure whereby different tariffs are levied for site value and the value of improvements. Rebates for pensioners and agricultural properties are available in terms of the policies of the //Khara Hais municipality.

7.2 Revenue arising from the application of the approved tariff of charges is generally when the relevant service is rendered. Conventional water & electricity meters are read on a monthly basis and invoiced to consumers.

7.3 Interest and rentals are recognised on a time proportion basis that takes into account the effective yields on assets.

7.4 Amounts received from government and donors for the purpose of acquiring items of property, plant and equipment are classified as capital receipts and credited to non-distributable reserves. These amounts are released to the income statement over the estimated life of the item of property, plant and equipment acquired.

7.5 Provision for bad debt is calculated at 100% of debt older than 120 days.

8. STATUTORY FUNDS, RESERVES AND CAPITAL RECEIPTS (GAMAP 114)

8.1 Funds and reserves are represented by cash. The cash in the funds and reserves is invested until utilised.

8.2 In order to finance items of property, plant and equipment, amounts are set aside from unappropriated surpluses in the asset financing fund.

8.3 Capital receipts are paid into a non-distributable reserve and transferred to the income statement as expensed.

8.4 Interest allocated to Asset Financing Fund is calculated on the annual average of interest earned on investments.

9. FLEET MANAGEMENT AND OTHER RECHARGES

9.1.1 All vehicles and equipment belongs to the vehicle fleet and are rented out to the other internal departments at a predetermined cost based on distance travelled or time used by the department. This recharged cost are included under general expenditure and the credit as a deduction in annexure D to the Financial statements

9.1.2 The cost from support departments such as Finance, Administration, and Human resources is recharged on the basis of estimated time spent to the trading and other cost centres.

9.1.3 This recharge is included under general expenditure and the credit as a deduction in annexure D to the financial statements.

// KHARA HAIS LOCAL MUNICIPALITY

BALANCE SHEET AT 30 JUNE 2005

	Note	2005 R	2004 R
CAPITAL EMPLOYED			
STATUTORY FUND	1	3,439,965	5,000,000
NON- DISTRIBUTABLE RESERVES	2	48,803,123	6,758,583
DISTRIBUTABLE RESERVES			
Unappropriated surplus / Accumulated deficit		65,803,937	74,735,423
		118,047,025	86,494,006
TRUST FUNDS: MAYOR	4	26,253	26,253
: GORDONIA RESORT	4	364,284	364,284
LONG-TERM LIABILITIES	5	12,070,771	12,094,258
CONSUMER DEPOSITS - SERVICES	6	2,744,247	2,317,821
		133,252,580	101,296,622
EMPLOYMENT OF CAPITAL			
PROPERTY, PLANT AND EQUIPMENT	7	127,766,910	88,237,355
INVESTMENTS	7	0	
LONG-TERM DEBTORS	9	908,538	1,164,482
INVESTMENTS		3,325,365	13,448,007
		132,000,814	102,849,844
NET CURRENT ASSETS		1,251,766	-1,553,222
CURRENT ASSETS		16,093,928	14,714,737
Inventory	10	2,710,962	2,902,396
Debtors	11	14,244,139	10,486,244
Short-term portion of long-term debtors	9		
Bank	18	-861,173	1,326,097
CURRENT LIABILITIES		14,842,162	16,267,959
Provisions	12	4,300,901	4,300,901
Creditors	13	4,308,213	6,014,849
Creditors VAT		6,233,048	5,207,070
Short-term portion of long-term liabilities	5	0	745,139
		133,252,580	101,296,622

(Note : The balance sheet has been prepared in accordance with GAMAP 100)

This statements are appoved by:

Chief Financial Officer — Date 1/9/2005

Municipal Manager — Date 1/09/05

// KHARA HAIS LOCAL MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 Actual R	2005 Budget R	2004 Actual R
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES				
Administration		19,188,350		(4,142,727)
NET SURPLUS BEFORE EXTRAORDINARY ITEMS (Refer Annexure E)	14,15	19,188,350	-	(4,142,727)
Extraordinary items		116,045	-	-
NET SURPLUS BEFORE APPROPRIATIONS		19,304,395	-	(4,142,727)
UNAPPROPRIATED SURPLUS / (DEFICIT) AT BEGINNING OF YEAR		74,735,423	74,735,423	63,435,727
APPROPRIATIONS		(28,235,881)	5,000,000	15,442,423
Transfer to asset financing fund	1		-	
Funds Written-off	1	-	-	-
Back-log Depresiation	2	-	-	-
Loans redeemed transferred	2	1,764,119		-
Transfer from Funds	4	-		15,509,106
Transfer to NDR				-
Transfer to funds	4	(30,000,000)	5,000,000	-
Bad debt written off			-	
Transfer to provision for Bad Debts	11			
Transfer to leave Provision	12	-	-	-
Other adjustments		-		(66,683)
UNAPPROPRIATED SURPLUS / (DEFICIT) AT END OF YEAR		65,803,937	79,735,423	74,735,423

(Note : The income statement has been prepared in accordance with GAMAP 100 and GAMAP 101)

// KHARA HAIS LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 R	2004 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		176,519,722	173,037,540
Cash paid to suppliers and employees		(152,117,137)	(146,172,333)
Cash generated from operations	16	24,402,585	26,865,207
Interest received		956,458	4,326,638
Interest paid		(2,001,284)	(2,228,934)
NET CASH FLOW FROM OPERATING ACTIVITIES		23,357,759	28,962,911
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(42,715,593)	(27,464,309)
Proceeds on disposal of Property, plant & Equipment		6,389,040	244,821
Increase/(decrease in non-current investments	8	10,122,642	1,739,331
Increase/(decrease in non-current receivables		255,944	50,941
NET CASH FLOW FROM INVESTING ACTIVITIES		(25,947,967)	(25,429,216)
CASH FLOW FROM FINANCING ACTIVITIES			
Net loans raised/repaid		(23,487)	(920,786)
Increase in consumer deposits		426,426	165,727
NET CASH FLOW FROM FINANCING ACTIVITIES		402,939	(755,059)
NET INCREASE IN CASH AND CASH EQUIVALENTS		-2,187,269	2,778,636
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,326,096	-1,452,540
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	17	-861,173	1,326,096

(Note : The cash flow statement has been prepared in accordance with GAMAP 100 and GAMAP 111)

NOTES TO THE FINANCIAL STATEMENTS

	2005 R	2004 R
1. STATUTORY FUND		
Asset Financing Fund	3,439,965	5,000,000
Movement is reconciled as follows:		
Balance at beginning of year	5,000,000	5,000,000
Contributions received	30,000,000	
Interest on investment		
Cash utilized to finance property, plant & equipment	(31,560,035)	
Balance at end of year	3,439,965	5,000,000

The purpose of the Asset Financing Fund is to set aside cash to finance fixed assets. The contribution to the Asset Financing Fund is based on capital requirements. When cash is used to finance the acquisition of property , plant and equipment, a corresponding amount is transferred to a non-distributable reserve (Note 2) Unutilised funds are represented by cash (Note 17) It is Councils policy to transfer investment income earned on unutilised cash to the fund.

2. NON-DISTRIBUTABLE RESERVES		
Capital receipts	17,243,088	6,758,583
- Used to finance property, plant & equipment	11,155,558	
- Unutilised	6,087,530	6,758,583
Transfers from Asset Financing Fund used to finance property, plant & equipment	31,560,035	
Transfers to income statement: Depreciation		
Total: Non-distributable reserves	48,803,123	6,758,583
Movement is reconciled as follows:		
Utilised Capital Receipts		
Balance at beginning of year	-	-
Used to finance current year additions	11,155,558	-
Transfers to income statement: Depreciation		-
Balance at end of year	11,155,558	-
Unutilised Capital Receipts		
Balance at beginning of year	6,758,583	1,969,873
Current year receipts	12,248,624	4,788,710
Used to finance property, plant & equipment	(11,155,558)	-
Used to finance other expenditure	(1,764,119)	-
Balance at end of year	6,087,530	6,758,583

These capital receipts represent government grants and subsidies and can only be used for puposes of acquiring spesified property , plant and equipment or on approved business plan.

4 TRUST FUNDS		
Gordonia resort trust	364,284	364,284
	364,284	364,284
Movement is reconciled as follows		
Gordonia resort trust		
Balance at beginning of year	364,284	364,284
Interest allocated to fund	-	-
Expenditure incurred	-	-
Balance at end of year	364,284	364,284

5 LONG-TERM LIABILITIES

NOTES TO THE FINANCIAL STATEMENTS

	2005 R	2004 R
First National bank	-	-
Development Bank of SA	12,070,771	12,839,397
(Refer to Appendix A for more detail)	12,070,771	12,839,397
Less: Current portion transferred to current liabilities	-	745,139
	12,070,771	12,094,258

Loans

Loans have been granted by the the Development Bank and other institutions in respect of infrastructure services. These loans bear interest at rates from 16% to 16.5% per annum and are repayable over periods of between 10 and 15 Years.

6 CONSUMER DEPOSITS - SERVICES

Services & Sundry	2,744,247	2,317,821
Guarantees in lieu of electricity and water deposits	16,000	16,000

7 PROPERTY, PLANT AND EQUIPMENT

30th June 2005	Historical Cost	Accumulated depreciation	Carrying value
Owned property, plant and equipment			
Infrastructure	165,947,811	111,107,963	54,839,848
Community	70,047,069	15,092,920	54,954,149
Heritage	254,429	4,755	249,674
Other	81,200,437	63,477,196	17,723,241
Leased property, plant and equipment			
Other	-	-	-
(Refer to Appendices B & C for more detail)	317,449,746	189,682,834	127,766,912
30th June 2004			
Owned property, plant and equipment			
Infrastructure	137,832,280	108,862,577	28,969,703
Community	68,525,529	15,077,784	53,447,745
Heritage	176,949	4,755	172,194
Other	69,668,763	64,021,051	5,647,712
Leased property, plant and equipment			
Other	-	-	-
(Refer to Appendices B & C for more detail)	276,203,521	187,966,167	88,237,354

NOTES TO THE FINANCIAL STATEMENTS

	2005 R	2004 R
8 INVESTMENTS		
Listed		
Unlisted		
Fixed deposits	3,325,365	13,448,007
Other deposits		
Total	3,325,365	13,448,007
Market valuation of listed investments		
Councils Valuation of unlisted investments		
Fixed deposits	3,325,365	13,448,007
Other deposits		
Total	3,325,365	13,448,007
Allocation of external investments		
Asset financing fund	-	5,000,000
Unutilised capital receipts	3,325,365	6,758,583
Trust fund	-	364,284
Provisions	-	1,325,140
Total	3,325,365	13,448,007

No investments have either been written of during the year or pledged as security for any funding facilities of the Municipality

9 LONG-TERM DEBTORS		
Pre-paid meter`s	2,235	5,863
Development cost	-	-
Sport clubs	91,231	165,743
Services (Arrears)	621,117	699,046
Sundry staff loans	193,955	293,830
	908,538	1,164,482
Less: Current portion transferred to current debtors		
	908,538	1,164,482

Motor car loans

Certain categories of staff are entitled to car loans at a interest rate equivalent to the prescribed rate determined by the Receiver of Revenue, repayable over a maximum period of 6 years. These loans are no longer allowed in terms of section 164(1)(c) of Act no. 56 of 2003 (MFMA)

Sundry staff loans

These loans consist of study loans and computer loans granted in terms of specific policy and at an interest rate equivalent to the prescribed rate determined by the Receiver of Revenue.These loans are no longer allowed in terms of section 164(1)(c) of Act no. 56 of 2003 (MFMA)

10 INVENTORY		
Consumable stores	2,710,962	2,902,396

NOTES TO THE FINANCIAL STATEMENTS

	2005 R	2004 R
11 DEBTORS		
Services debtors		
Rates & Services	[illegible]48,721	26,694,921
Sundry	4[illegible]76	4,373,943
Received in advance	(487,[illegible]	
	34,826,759	31,068,864
Less: Provision for bad debts	(20,582,620)	(20,582,620)
	14,244,139	[illegible]486,244
The ageing of debtors is as follows:		
Rates & Services		
Current	10,083,974	7,246,587
30-60 days	1,377,720	1,559,422
60-90 days	1,500,581	548,520
90- 120 days	1,338,669	980,961
More than 120 days	16,747,777	16,359,431
	31,048,721	26,694,921
Sundry		
Current	99,507	65,225
30-60 days	13,147	31,866
60-90 days	19,718	12,649
90- 120 days	6,939	19,277
More than 120 days	4,126,665	4,244,926
	4,265,976	4,373,943
Provision for bad debts	20,582,620	20,582,620

The bad debt provision is calculated on the basis of recoverability of debt as set out in the accounting policies at an amount equal to debt older than 120 days.

12 PROVISIONS		
Leave Provision	4,300,901	4,300,901
	4,300,901	4,300,901
Movement is reconciled as follows:		
Leave provision		
Balance at beginning of year	4,300,901	4,300,901
Transfers from accumulated funds		
Balance at end of year	4,300,901	4,300,901

13 CREDITORS		
SARS (Vat)	6,233,048	5,207,070
Trade creditors	4,308,213	6,014,849
Amounts received in advance	487,938	
Total: Creditors	11,029,199	11,221,919

NOTES TO THE FINANCIAL STATEMENTS

	2005 R	2004 R
14 NET SURPLUS / (DEFICIT) FOR THE YEAR		
The following has been taken into account in determining the net surplus / (deficit) for the year		
Profit/(loss) on the disposal of property, plant & equipment	6,389,040	224,820
Bad debts written off	1,754,164	30,783,861
Depreciation		
Owned property, plant and equipment	3,898,247	1,291,962
Leased property, plant and equipment		
	3,898,247	1,291,962
Operating lease charges		
Interest paid		
External loans	2,001,284	2,228,934
Finance leases		
Bank overdrafts		
	2,001,284	2,228,934
Councillors remuneration		
Executive Mayor	276,941	240,696
Speaker	226,097	199,295
Mayoral / Executive Committee	438,592	
Ordinary Members	1,065,460	1,442,763
	2,007,090	1,882,754
Investment income		
Interest received	956,458	4,326,638
Rental received	4,285,564	4,257,342
	5,242,022	8,583,980
Auditor's remuneration		
Audit fees	14 104	193,339
Contribution to provisions		
Staff leave	-	-
Provincial and Central Government subsidies		
Health subsidies	-	726,730
Grants	9,689,188	10,221,134
	9,689,188	10,947,864
15 REVENUE		
Rates & Taxes	25,319,986	24,028,136
Operating grants & subsidies	9,689,188	10,947,864
Interest on Investments	956,458	4,326,638
Interest on Debtors	1,263,779	
Services rendered	101,189,653	95,259,710
Rental : Property & Equipment	4,285,564	5,017,279
Licensing & Fines	10,486,203	2,693,197
Other income	4,282,902	4,478,276

NOTES TO THE FINANCIAL STATEMENTS

	2005 R	2004 R
Gains on disposal of stands and PPE	6,389,040	
	163,862,773	146,751,100

16 ASSESMENT RATES

Actual

Residential	17,386,000	16,292,387
Commercial	1,542,669	1,439,456
State	2,359,381	2,324,037
Municipal	52,802	48,250
Total	21,340,852	20,104,130

Valuations

Residential	1,078,105,835	1,064,164,190
Commercial	15,510,150	81,158,451
State	37,891,720	151,131,605
Municipal	1,555,000	4,161,972
Total	1,133,062,705	1,300,616,218

17 CASH GENERATED BY OPERATIONS

(Deficit)/Surplus for the year	19,188,350	(4,142,727)
Extraordinary items	116,045	
Adjustments for:		
Bad debts	1,754,164	30,783,861
Operating expenditure ex-grants	241,930	
Depreciation	3,898,247	1,291,954
Capital receipts reliased	-	3,127,527
Investment income	(956,458)	(4,326,638)
Interest paid	2,001,284	2,228,934
Operating surplus before working capital changes:	26,243,562	28,962,911
Increase in inventories	191,434	(638,012)
Decrease in debtors	(3,757,895)	11,336,505
Increase in provisions	-	(14,905,569)
Decrease in creditors	680,658	(1,107,750)
Cash generated by operations	23,357,759	23,648,085

18 CASH BALANCE AT THE END OF YEAR

Balance at the end of year	(861,173)	1,326,097
Balance at the beginning of year	1,326,097	(1,456,376)
Net increase in cash and cash equivalents	(2,187,270)	2,782,473

19 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure		
- Approved and contracted for	41,565,089	29,564,739
- Approved but not yet contracted for	40,548,633	-
	82,113,722	
This expenditure will be financed from :		
- Internal sources	28,507,236	27,464,309
- un-utilized capital receipts	13,057,853	
- External sources	40,548,633	2,100,340
	82,113,722	

NOTES TO THE FINANCIAL STATEMENTS

	2005 R	2004 R

20 RETIREMENT BENEFIT INFORMATION

The Council contributes towards the retirement benefits of staff members and councilors to various pension and retirement funds approved by Council. These contributions are reviewed yearly by the institutions.

21 CONTINGENT LIABILITIES

There was no contingent liabilities.

Contractual obligations known by Council at the close of the business is R7 352 033 which is for the previous work-in-progress which is not included in our Capital Budget for 2005/2006.

APPENDIX A
SCHEDULE OF LONG TERM LIABILITIES

Interest rate	Redemption date	Loan no.	Balance at 01/07/2004 R	Received during the year R	Redeemed or written off during the year R	Balance at 30/6/2005 R
Development Bank of SA			10,561,334	-	83,857	10,477,477
		EXL2	10,561,334		83,857	10,477,477
First national bank			513,609	-	513,609	-
		EXL3	513,609		513,609	-
Development Bank of SA			1,764,454	-	171,160	1,593,294
		EXL1	1,764,454		171,160	1,593,294
Finance leases			-	-	-	-
			-		-	-
						-
External Loans : Total			12,839,397	-	768,626	12,070,771

APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT

	HISTORICAL COST				ACCUMULATED DEPRECIATION				
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Additions	Disposals	Closing balance	Carrying value
INFRASTRUCTURE									
Electricity	42,594,150	8,876,487	-102,161	51,572,798	29,479,973	728,954	0	30,208,927	21,363,871
Roads	45,137,944	2,552,693	24,949	47,665,688	41,185,434	424,474	0	41,609,908	6,055,780
Water	32,799,407	10,237,287	82,262	42,954,432	22,331,324	811,828	0	23,143,152	19,811,280
Sewage	16,691,265	4,969,872	19,899	21,641,238	15,660,534	121,314	0	15,781,848	5,859,390
Pedestrian Facilities	63,149	1,331,766		1,394,915	1,606	29,842	0	31,448	1,363,467
Seccurity Measures	546,365	172,375	0	718,740	203,706	128,974	0	332,680	386,060
	137,832,280	**28,140,480**	**24,949**	**165,947,811**	**108,862,577**	**2,245,386**	**0**	**111,107,963**	**54,839,848**
COMMUNITY ASSETS									
Community Facilities	53,312,823	1,112,664	-49,401	54,474,888	0	0	0	0	54,474,888
Recreation grounds	15,212,706	359,475		15,572,181	15,077,784	15,136	0	15,092,920	479,261
	68,525,529	**1,472,139**	**-49,401**	**70,047,069**	**15,077,784**	**15,136**	**0**	**15,092,920**	**54,954,149**
HERITAGE ASSETS									
Heritage assets	176,949	77,480	0	254,429	4,755	0	0	4,755	249,674
									0
	176,949	**77,480**	**0**	**254,429**	**4,755**	**0**	**0**	**4,755**	**249,674**
OTHER ASSETS									
Undeveloped land	175,418	72,596	0	248,014	0	0	0	0	248,014
Buildings	38,841,095	4,777,106	24,451	43,593,750	38,736,277	94,152	0	38,830,429	4,763,321
Office equipment	5,274,367	2,183,278	250,405	7,207,240	4,335,709	600,226	296,447	4,639,488	2,567,752
Furniture & Fittings	1,906,232	206,303	60,657	2,051,878	1,598,446	63,391	87,138	1,574,699	477,179
Bins & Containers	5,571	0	0	5,571	5,570	0	0	5,570	1
Emergency equipment	364,670	0	14,492	350,178	338,674	2,555	14,492	326,737	23,441
Motor vehicles	12,239,132	2,698,606	64,044	14,873,694	9,993,065	483,220	449,703	10,026,582	4,847,112
Watercraft	72,264	0	0	72,264	72,261	0	0	72,261	3
Plant & Equipment	9,791,553	3,087,605	99,333	12,779,825	7,938,056	395,058	352,112	7,981,002	4,798,823
Inventory items	998,461		980,438	18,023	1,002,993	529	983,094	20,428	-2,405
	69,668,763	**13,025,494**	**1,493,820**	**81,206,437**	**64,021,051**	**1,639,131**	**2,182,986**	**63,477,196**	**17,723,241**
Total	**276,203,521**	**42,715,593**	**1,469,368**	**317,449,746**	**187,966,167**	**3,899,653**	**2,182,986**	**189,682,834**	**127,766,912**

APPENDIX C
SUMMARY OF ASSETS BY DEPARTMENTAL CLASSIFICATION

	HISTORICAL COST				ACCUMULATED DEPRECIATION				
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Additions	Disposals	Closing balance	Carrying value
DEPARTMENTS	R	R	R	R	R	R	R	R	R
Municipal Manager	499,532	22,758	9,330	512,960	447,899	13,400	9,300	451,999	60,961
Tourism & Marketing	96,479	10,713	3,479	103,713	90,944	2,278	3,471	89,751	13,962
Public Relations	66,064		2,427	63,637	59,520	2,764	2,420	59,864	3,773
Ambulance service	276,223		3,424	272,799	276,178		3,403	272,775	24
Economic Development	25,546			25,546	19,480	1,317	6	20,791	4,755
Internal Audit	12,922	10,600		23,522	1,378	3,699		5,075	18,447
Office of Municipal Manager	22,298	1,445		23,743	401	3,342		3,743	20,000
Administration	245,239,518	6,377,129	800,298	251,016,347	178,428,185	1,502,978	1,214,544	178,716,619	72,299,728
Administration	1,351,142	532,095	284,151	1,619,086	995,002	103,443	277,014	821,431	797,655
Council general	30,129	42,922	10,409	62,642	20,690	4,369	11,492	13,567	49,075
Libraries	82,727	1,230	786	83,171	78,573	1,560	7,259	72,874	10,297
Property	223,770,313	96,566	891	223,865,988	161,114,373	388,068	928	161,501,515	62,364,473
Museum	13,472		1,807	11,665	13,193		1,780	11,413	252
Mechanical Workshop	226,370	20,177	30,788	215,759	211,922	5,668	30,664	186,926	28,833
Transport	18,968,562	5,448,159	140,127	24,274,594	15,301,381	982,733	698,700	15,585,414	8,709,180
Eiland resort	778,740	235,980	146,711	868,009	668,677	37,135	177,759	528,053	339,956
Gordonia Resort	20,061		4,628	15,433	24,374	2	8,950	15,426	7
Finance	2,580,882	1,969,956	185,459	4,365,179	2,285,696	288,887	199,293	2,375,290	1,989,889
Finance	2,580,882	1,969,956	185,459	4,365,179	2,285,696	288,887	199,293	2,375,290	1,989,889
Civil enginering	19,181,260	19,665,391	181,305	38,645,346	1,684,043	1,495,578	186,068	2,973,553	35,671,793
Town planning	204,107	102,239	1,800	304,746	177,764	9,154	1,733	185,185	119,581
Town Engineer	235,305	12,052	3,643	243,714	211,982	6,471	2,844	215,609	28,105
Streets & Stormwater	4,008,538	2,680,250	23,483	6,665,305	383,525	406,931	24,764	765,692	5,899,613
Town Lands	2,325		1,009	1,316	2,815		1,503	1,312	4
Sewer works	2,142,478	5,925,802	20,499	8,047,781	96,163	148,053	22,076	222,140	7,825,641
Building department	67,765		18,173	49,592	66,314	536	19,093	47,757	1,835
Recreation	80,571		34,294	46,277	65,681	3,697	34,265	35,113	11,164
Parks	505,968	378,588	20,614	863,942	118,430	20,351	21,198	117,583	746,359
Swimming pool	210,101	91,866	6,158	295,809	58,075	25,971	6,112	77,934	217,875
Sport facilities	655,255	99,920	28,273	726,902	108,983	18,188	28,200	98,971	627,931
Reitz park	18,843	222,176	0	240,819	1,801	3,687		5,488	235,331
Cemeteries	229,094	7,971	6,584	230,481	35,330	26,972	6,686	55,636	174,845
Water supply	2,678,675	4,306,167	3,442	6,981,400	64,835	231,419	3,411	292,843	6,688,557
Water reticulation	8,122,435	5,838,360	13,533	13,947,262	272,345	594,148	14,203	852,290	13,094,972
								0	0
Social Services	3,394,892	3,950,722	127,998	7,217,616	2,609,882	167,413	200,306	2,576,989	4,640,627
Community Development & Housing	18,233	3,476,854	265	3,494,822	18,216	77,043	264	94,995	3,399,827
Traffic services	556,774	23,678	42,079	538,371	522,859	7,678	42,029	488,508	49,863
Fire services	2,056,206	161,789	52,793	2,165,182	1,331,846	47,414	52,701	1,326,559	838,623
Civil defence	80,181	11,497	362	91,316	37,707	10,525	358	47,874	43,442
Security services	166,869		1,412	165,257	233,298	2,273	74,098	161,473	3,784
Environmental services	137,330	16,146	361	153,115	108,504	9,118	355	117,267	35,848
Sanitation	4,520		264	4,256	4,515		261	4,254	2
Refuse removal	82,945	25,000	1,590	106,355	61,358	9,532	1,575	69,315	37,040
Primary health	211,905		28,586	183,319	211,466	82	28,387	183,141	178
Parking area development	80,129	235,980	286	315,823	80,113	3,768	278	83,603	232,220
								0	0
Human resources	149,978	28,792	14,390	164,380	127,380	4,378	14,482	117,274	47,106
Human resources	149,978	28,792	14,390	164,380	127,380	4,378	14,482	117,274	47,106
Electrical services	4,153,081	10,700,845	35,586	14,818,340	1,378,074	426,920	42,450	1,762,544	13,055,796
Administration	4,153,081	10,700,845	35,586	14,818,340	1,378,074	426,920	42,450	1,762,544	13,055,796
								0	0
Assets to be removed	1,024,578	0	315,003	709,573	1025004	102	316,543	708,563	1,010
TOTAL	276,203,517	42,715,593	1,469,369	317,449,741	187,966,183	3,899,654	2,182,986	189,682,831	127,766,910

APPENDIX D
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2005

Actual 2004 R		Actual 2005 R	Budget 2005 R
	REVENUE		
24,028,136	Property rates	25,319,986	25,997,244
95,259,710	Service Charges	101,189,653	103,534,894
5,017,279	Rental : Property & Equipment	4,285,564	5,448,778
4,326,638	Interest earned - external investment	956,458	550,000
	Interest earned - outstanding debtors	1,263,779	3,898,500
2,693,197	Agency services	10,486,203	15,421,647
10,947,864	Government grants & Subsidies	9,689,188	16,194,563
4,478,276	Other income	4,282,902	4,017,429
	Gains on disposal of PPP	6,389,040	114,644
146,751,100	**Gross revenue**	163,862,773	175,177,699
	Less income forgone	6,934,704	9,391,990
	Total revenue	156,928,069	165,785,709
	EXPENDITURE		
60,030,797	Employee related costs : Salaries	54,095,172	54,919,690
	Employee related costs : Social contributions	11,792,801	13,573,432
1,991,111	Remuneration Councillors	2,112,681	1,987,423
30,783,861	Bad debts written-off	1,754,164	1,884,347
	Collection costs	419,670	420,950
1,291,954	Depreciation	3,898,247	5,674,499
7,605,247	Repairs & Maintenance	6,025,624	6,768,683
2,228,934	Interest on external borrowings	2,001,284	10,259,602
25,282,877	Bulk purchases	27,169,423	27,315,249
	Contracted services	1,827,050	5,723,164
	Grants & Subsidies paid	195,061	275,400
39,169,165	General expenses- other	29,957,874	44,174,280
	Recharges	16,202,812	22,903,406
168,383,946	**Gross expenditure**	157,451,863	195,880,125
17,490,120	Less: Amounts charged out	19,712,144	25,759,146
150,893,826	**Total Expenditure**	137,739,719	170,120,979

APPENDIX E
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

2004 Actual Income R	2004 Actual Expenditure R	2004 Surplus/ (Deficit) R		2005 Actual Income R	2005 Actual Expenditure R	2005 Surplus/ (Deficit) R	2005 Budget Surplus / (Deficit) R
0	5,209,778	(5,209,778)	**Executive & Council**	18,505	5,750,285	(5,731,780)	(5,995,348)
0	3,993,548	(3,993,548)	Council general	12,763	4,456,398	(4,443,635)	(5,141,429)
0	306,844	(306,844)	Public Relations	2,218	357,337	(355,119)	(404,062)
0	909,386	(909,386)	Municipal Manager	3,524	595,754	(592,230)	(633,357)
0	0	-	Youth Council	0	149,861	(149,861)	(180,000)
0	0	-	Capacity Building	0	190,935	(190,935)	(636,500)
35,704,883	46,758,633	(11,053,750)	**Finance & Admin**	41,712,491	22,420,960	19,291,531	12,799,917
33,282,704	40,590,969	(7,308,265)	Finance	35,546,785	15,154,874	20,391,911	21,373,632
	845,026	(845,026)	Internal audit	0	1,014,445	(1,014,445)	(1,090,230)
62,204	1,777,193	(1,714,989)	Human resources	399,595	2,178,993	(1,779,398)	(2,595,654)
263,504	1,405,633	(1,142,129)	Property services	292,729	2,132,715	(1,839,986)	(2,068,427)
2,096,471	2,139,812	(43,341)	Administration	5,473,382	1,939,933	3,533,449	(2,819,404)
257,944	2,689,060	(2,431,116)	**Planning & Development**	312,335	2,786,044	(2,473,709)	(3,273,246)
257,944	2,224,082	(1,966,138)	Town Planning	307,905	2,290,905	(1,983,000)	(2,644,488)
	464,978	(464,978)	Local economic development	4,430	495,139	(490,709)	(628,758)
4,427,754	2,677,656	1,750,098	**Health services**	3,893,558	2,871,832	1,021,726	3,206,725
664,000	1,070,972	(406,972)	Clinics	0	1,215,610	(1,215,610)	682,884
3,763,754	1,606,684	2,157,070	Environmental health	3,893,558	1,656,222	2,237,336	2,523,842
123,852	1,915,347	(1,791,495)	**Community & Social services**	230,604	2,220,480	(1,989,876)	(2,252,179)
46,125	1,106,792	(1,060,667)	Libraries	157,517	1,407,436	(1,249,919)	(1,223,024)
5,064	1,771	3,293	Museum	5,064	1,775	3,289	(10,495)
72,663	806,784	(734,121)	Cemeteries	68,023	811,269	(743,246)	(1,018,660)
1,136,575	876,475	260,100	**Housing**	51,365	522,249	(470,884)	(454,717)
1,036,475	285,978	750,497	Rental schemes	51,365	1,666	49,699	0
100,100	590,497	(490,397)	Housing development	0	520,583	(520,583)	(454,717)
202,362	6,919,490	(6,717,128)	**Public safety**	181,959	9,569,536	(9,387,577)	(9,643,630)
189,522	3,552,203	(3,362,681)	Fire services	164,345	4,419,731	(4,255,386)	(4,725,036)
9,518	217,594	(208,076)	Civil defence	14,214	270,517	(256,303)	(344,720)
3,322	3,149,693	(3,146,371)	Security services	3,400	4,879,288	(4,875,888)	(4,572,874)
4,008,314	13,324,158	(9,315,844)	**Sport & Recreation**	4,143,077	13,145,357	(9,002,280)	(11,432,345)
30,000	499,033	(469,033)	Recreation	0	308,456	(308,456)	(532,945)
5,388	5,324,762	(5,319,374)	Parks	3,731	5,540,347	(5,536,616)	(6,161,071)
3,844,834	4,913,619	(1,068,785)	Resorts	3,982,201	4,395,548	(413,347)	(1,035,173)
93,921	1,250,673	(1,156,752)	Swimming pools	115,638	1,340,631	(1,224,993)	(1,339,065)
34,171	1,336,071	(1,301,900)	Sports grounds	41,507	1,560,375	(1,518,868)	(2,364,091)
11,022,373	4,870,990	6,151,383	**Waste water management**	11,668,481	5,669,632	5,998,849	3,586,196
296,580	363,113	(66,533)	Septic tanks	308,188	404,550	(96,362)	(345,622)
10,725,793	4,507,877	6,217,916	Sewerage works	11,280,700	3,945,488	7,335,212	7,393,705
		-	Sewerage & Stormwater drainage	79,593	1,319,594	(1,240,001)	(3,461,887)
7,457,462	6,230,150	1,227,312	**Waste management**	8,537,166	8,709,335	(172,169)	(1,622,973)
278,691	572,476	(293,785)	Solid waste	756,180	685,749	70,431	(309,458)
7,178,771	5,657,674	1,521,097	Refuse removal	7,780,986	8,023,586	(242,600)	(1,313,520)
3,615,884	13,486,193	(9,870,309)	**Road transport**	11,851,063	23,304,031	(11,452,968)	(12,391,276)
22	2,047,098	(2,047,076)	Administration	341,600	2,392,662	(2,051,062)	(3,161,401)
145,148	5,936,290	(5,791,142)	Roads	119,498	6,964,930	(6,845,432)	(7,985,221)
765,587	1,192,005	(426,418)	Parking areas	1,077,007	1,399,360	(322,353)	416,381
2,705,127	4,310,800	(1,605,673)	Traffic services	10,312,958	12,547,079	(2,234,121)	(1,661,035)
23,750,988	8,384,842	15,366,146	**Water**	23,367,147	11,310,179	12,056,968	3,963,399
63,205	2,142,088	(2,078,883)	Distribution	88,108	2,725,997	(2,637,889)	(9,913,395)
23,687,783	6,242,754	17,445,029	Water purification	23,279,039	8,584,182	14,694,857	13,877,394
54,717,199	36,554,199	18,163,000	**Electrical services**	57,351,533	37,764,304	20,087,229	16,765,999
1,148,842	8,089,165	(6,940,323)	Administration	255,816	7,112,667	(6,856,851)	(7,368,045)
53,568,357	28,465,034	25,103,323	Distribution	57,595,717	30,651,637	26,944,080	24,134,044
325,509	996,855	(671,346)	**Other**	65,609	-1,347,681	1,413,290	3,408,212
1,192	760,352	(759,160)	Tourism & Marketing	2,943	924,304	(921,361)	(1,051,196)
	74,616	(74,616)	Workshop	0	1,935,265	(1,935,265)	(11,516)
324,317	161,887	162,430	Fleet Management	62,666	-4,207,250	4,269,916	4,470,924
146,751,099	150,893,826	-4,142,727	**Net surplus/(deficit) for the year**	163,884,393	144,696,543	19,188,350	(4,335,270)

APPENDIX F
STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2005

		2005	2004	2003
A.	**GENERAL STATISTICS**			
1)	Population	73201	72476	74822
2)	Valuation roll	R	R	R
	Value of rateable property : Land	206,484,800	200,985,379	192,802,911
	Improvements	926,577,905	903,710,795	902,137,685
		1,131,512,205	**1,104,696,174**	**1,094,940,596**
	Value of non-rateable property : Land		40,384,039	45,959,034
	Improvements	1,550,500	155,536,005	120,662,210
		1,550,500	**195,920,044**	**166,621,244**
	Total value of rateable and non-rateable property	**1,133,062,705**	**1,300,616,218**	**1,261,561,840**
	Value of property subject to			
	Date of valuation	2001	2001	2001
3)	No of residential properties	15723	14899	14607
	No of commercial properties	3550	547	536
4)	Assesment rates: Cents/rand Land	0.0686	0.0634	0.0584
	less rebate			
	Improvements	0.0101	0.0093	0.00857
	Other			
5)	No of employees	717	697	655
B.	**ELECTRICITY STATISTICS**			
1)	Units purchased (kw.h)	156607936	149536618	146601092
2)	Units sold (kw.h)	141332817	136537182	133448538
3)	Units lost in distribution (kw.h)	15275119	12999433	13152554
4)	Units lost in distribution as % of units purchased	9.75	8.69	8.97
5)	Cost per unit sold (Cents)	0.184	0.178	0.1743
C.	**WATER STATISTICS**			
1)	Units purchased/Purified (kl)	14746740	14605314	12049048
2)	Units sold (kl)	12040456	13064454	10912999
3)	Units lost in distribution (kl)	2706284	1540860	1136049
4)	Units lost in distribution as % of units purchased	18.35	10.55	9.43
5)	Cost per unit sold (Cents+C22)	9.63	7.51	2.69